

# CONTROLLER JOHN CHIANG

## STATE OF CALIFORNIA

300 Capitol Mall  
Sacramento, CA 95814  
916.445.2636  
[www.controller.ca.gov](http://www.controller.ca.gov)

---

PR08:004

FOR IMMEDIATE RELEASE:

JANUARY 7, 2008

CONTACT: GARIN CASALEGGIO

916-445-2636

## Chiang Comments on Public Employee Post-Employment Benefits Commission Report

**SACRAMENTO** – State Controller John Chiang today issued the following statement after the release of the *Funding Pensions & Retiree Health Care for Public Employees* report:

“Pre-funding health benefits for current and retired state employees needs to be part of any responsible plan. Pre-funding drives down the liability while protecting vital public programs and, at the same time, fulfilling the promise we have made to police officers, firefighters, teachers and others who provide important public service.

“The actuarial report I commissioned and released in May 2007 shows that moving away from the pay-as-you-go approach will save the State more than \$16 billion over the next 30 years, and reduce by \$1 billion what we will need to pay each year to meet our current and long-term obligations.”

The Government Accounting Standards Board Statement 45 (GASB 45) requires California to publicly disclose the future dollar amounts of its obligation to pay for post-employment benefits other than pension by March 2009. Chiang commissioned the actuarial analysis two years early to give the State more time to develop a responsible plan to pay the obligation and satisfy any concerns of Wall Street and credit rating agencies. The Controller will present a second actuarial valuation in Fall 2008.

###